

CHAPTER 2

CALCULATING THE AWARD

The SNG award will vary depending on the sector attended, the student's rate of enrollment, and the student's family income level.

INCOME CUTOFFS

The state's median family income (MFI) cutoff established by the legislature is at 65% MFI. The chart below provides the cutoff at 50% and 65% MFI.

Income Cutoff Chart

Note: Eligible students with family incomes between 51 percent and 65 percent of the median receive three-quarters of the maximum full-time grant, as described later in this chapter.

For schools whose computer programs calculate the actual median family income rather than using a "look-up" chart, be sure to round to the nearest \$500. This has been done in the Median Family Income Cutoffs table.

2005 Median Family Income Cutoffs

MFI's For 2006-2007 SNG Program (rounded to nearest \$500)		
Family Size	65%	50%
1	24,000	18,500
2	31,500	24,500
3	39,000	30,000
4	46,500	36,000
5	54,000	41,500
6	61,500	47,500
7	63,000	48,500
8	64,500	49,500
9	65,500	50,500
10	67,000	51,500
11	68,500	52,500
12	70,000	54,000
13	71,500	55,000
14	72,500	56,000
15	74,000	57,000
16	75,500	58,000
17	77,000	59,000
18	78,500	60,500
19	79,500	61,500
20	81,000	62,500

**COUNTING
INCOME**

When calculating a dependent student's income, count the parents' adjusted gross income (AGI) and parents' non-taxable income. **Do not include the student's income.**

When calculating an independent student's income, count the AGI and non-taxable income of the student and the income of any other adult included in the student's family.

For both dependent and independent students, if the AGI is not present (i.e., parent/student is not a tax filer), use the sum of all taxable plus non-taxable income.

The Aid Administrator may (but is not required to) subtract other Title IV aid received by the student from the total income.

**Expected Family
Contribution**

The “**expected family contribution**” is the amount that a student or the student’s family is expected to contribute to the cost of college based on federal methodology. When calculating the “expected family contribution,” all investments plus any other assets must be included.

The aid administrator, using professional judgement, may, adjust the income up or down to more accurately reflect the family's financial situation during the academic year. In general, adjustments shall be consistent with changes made for federal aid, although it is not limited to Title IV funds. If the adjustment is not consistent with that used for federal aid, the aid administrator shall document the reason for the variance in the student's file.

**Income Change of
3% or Less**

A student who has received the SNG in the previous year and whose family income has increased by no more than three percent may be eligible, at the discretion of the aid administrator, to receive the grant in the current year. This applies even if the income cutoff is now less than the student’s current family income

**Adjustment for More
than One
in College**

The aid administrator shall increase the family size by one for every family member in college beyond the first. A family of five with two in college is treated as a family of six, on the income cutoff chart; a family of five with three in college is treated as a family of seven.

**AWARD AMOUNTS
BY SECTOR**

The maximum base grant is representative of the average tuition, service, and activity fees charged within each public sector of higher education. This figure is determined annually by the HECB.

The base grant award shall not exceed the actual tuition, service, and activity fees charged to the eligible student.

For the purposes of the SNG program, the recognized tuition and fees for independent four-year institutions are equal to those used for the public research institutions. The recognized tuition and fees for the private vocational sector are equal to those used for the community and technical colleges.

2006-2007 Preliminary SNG Base Grant Amounts

Sector	Median Family Income	
	0% - 50%	51% - 65%
Research	\$5,156	\$3,867
Regional	\$3,970	\$2,978
Community and Technical Colleges	\$2,450	\$1,838
Private Four Year	\$5,390	\$4,043
Private Vocational	\$2,450	\$1,838
Dependent Care Allowance	\$ 737	\$ 553

Most award amounts are not divisible by two and three. For schools whose systems require even disbursements, the per term award may be rounded, up or down, by one dollar. This may not result in more than a two-dollar difference over a three quarter academic year. This procedure is also discussed in this chapter under "Award Rounding."

**Dependent Care
Allowance (DCA)**

The Dependent Care Allowance (DCA) is an addition to the base grant. The student must be eligible to receive at least one dollar of a base grant in order to be considered for the DCA. The allowance is \$737 for a full-time student attending the full nine-month academic year, regardless of the number of qualifying dependents. The DCA is adjusted by .75 for a three-quarter-time student and by .50 for a halftime student. The DCA will be reduced for students with MFI's over 50 percent.

The dependent must be living with the student and be someone other than the student's spouse. Care is defined as assistance provided to the dependent for which the student pays another person (someone outside of the student's household).

To receive the DCA, the student must provide documentation that dependent care expenses are needed. Students who have all dependent care needs covered by another agency or entity are not eligible for dependent care through the SNG program.

If the student is married, with both student and spouse attending the same institution, only one DCA (or the equivalent split between them) may be awarded per family.

Awarding the DCA is left to the discretion of the Financial Aid Administrator (FAA).

**ADJUSTING THE
AWARD**

The SNG may never exceed the student's calculated need. The value of the award is routinely reduced under six conditions:

MFI > 50%

HECB policy requires that the value of the SNG award, including DCA, be reduced in stages for eligible students with higher MFIs. The first reduction is for students with MFIs greater than 50 percent. Students with MFIs between 51 percent and 65 percent may receive three-quarters of the otherwise full-time, full-year award.

Part-Time Students

The total SNG award, including DCA, is reduced for part-time students to reflect their rate of attendance. Students attending at a three-quarter-time rate (9 - 11.9 credits or 225 - 299 clock hours) shall receive 75 percent of the full-time award. Conversely, students enrolling at a half-time rate (6 - 8.9 credits or 150 - 224 clock hours) shall receive 50 percent of the full-time grant award. Students enrolling for fewer than six credits are not eligible for the grant unless they are attending a "less-than-half-time" pilot school.

**Attendance Less
Than Nine Months**

Students attending only part of the full nine-month academic year receive a pro-rated share of the total award, including the DCA. For example, a student attending one of three quarters may receive one-third of the full year's total SNG award.

Gift Equity Packaging

The FAA may limit the student's award if receipt of the grant, in combination with other gift aid, exceeds the institution's gift equity packaging policy. The packaging policy must be the same as that used to package aid for all other students and may not discriminate against SNG recipients.

25% Self-Help Requirement

Self help forms of financial assistance must comprise at least 25 percent of the grant recipient's financial aid package. Self-help includes:

- Parent and family contributions
- Workstudy
- Loans
- Americorps benefits
- VA benefits
- Scholarships
- Merit-based aid
- Unmet need

Reduce the SNG award accordingly if the 25 percent self-help goal can not be achieved. (Note: The GEAR UP award is a scholarship and the TRIO award is a grant.)

Uneven Disbursements Permitted

The FAA may award a greater proportion of the student's award in one term if, in the FAA's judgment, the disbursement is justified by the student's costs. A statement shall be placed in the student's file acknowledging that an exception to the even disbursement policy has been granted.

Minimum Awards

In the view of the FAA, gift equity packaging policies, part-time enrollment and other factors may reduce a student's award below a practicable limit. The FAA may issue SNG awards as low as one dollar per term. However, the FAA is not required to make a disbursement to a student if the total SNG award is less than \$100 per term.

OTHER AWARDING CONSIDERATIONS

Funds are reserved for students at each institution on the basis of their eligibility for up to three quarters or two semesters of full-time enrollment. It is possible, however, for a student to receive additional terms of SNG within the same academic year.

Fourth Quarter/Third Semester Awards

For students receiving a fourth quarter or third semester of grant, the value of the additional award is calculated as it would be for any other regular term. Students receiving additional terms of need grant will reach the fifteen quarter limit more quickly than students engaged in the common three quarter/two semester enrollment pattern.

Summer Session Awards

No student may receive two awards for a single summer session by receiving one from each fiscal year.

Commuter Students

There is no special award parameter for commuter students.

Retroactive Payments

Retroactive payments may be made to an eligible student as long as the payments are made for the same fiscal year from which the funds are drawn. The value of the retroactive payment shall be based on the student's rate of satisfactorily completed credits at the end of the term or when payments are made. The student does not have to be enrolled at the time of the retroactive payment.

Late Applicants

The FAA may reserve funds for late applicants.

Award Rounding

Award ranges and major rounding of awards is not permitted. When a calculated award cannot be evenly divided, the preferred practice is to award one dollar more or less, than the desired even disbursement in one of the terms. Rounding by more than two dollars per year is not permitted.

Concurrent Award at Two Schools

While it is not encouraged, it is permissible for two schools to disburse separate SNG awards to the same student during the same term. The SNG award at each school shall be calculated in the normal fashion. It is presumed that the student's maintenance costs are considered in the overall award at one school and the second school's award shall not exceed the cost it recognizes for tuition and books. If a school exercises this option, it should do so with the knowledge and cooperation of the other school.

**Chapter 30 VA or
AmeriCorps Benefits**

There are no special adjustments to the calculations of need for students receiving Chapter 30 VA or AmeriCorps benefits. All federal loans received by students with these awards shall count toward meeting the calculation of need for the SNG program.

Fractional Last Term

If a fraction of a term of eligibility is remaining for a student, a fractional award may be granted.

Transfer Students

The HECB reserves transfer funds that can be drawn by a receiving institution for students who are transferring in and who have received SNG from the prior institution in the same academic year

TRIO Students

The HECB reserves separate funds for TRIO students attending participating institutions. Eligible students are entitled to a TRIO award equivalent to the PELL unless the SNG award amount is higher. The process to follow for TRIO students is outlined in the TRIO chapter.

Professional Judgment

The Financial Aid Administrator (FAA) may use his or her professional judgment to adjust any financial element of the student's application to more accurately reflect the student and family's true ability to contribute to the cost-of-attendance. In general, the same professional judgment decisions made for SNG shall also be applied to calculations for federal aid. **All professional judgment decisions must be documented in the student's file.**

**AWARDING
PRACTICES NOT
PERMITTED**

**Single Parents and
Part-Time Students**

No group, such as single parents or part-time students, may be disadvantaged relative to any other group of SNG recipients in its access to the grant.

Underawarding

It is not permissible to disburse less than 100 percent of an eligible student's calculated SNG award in an attempt to make limited funds stretch farther